

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA

Richmond Division

UNITED STATES OF AMERICA,

v.

Criminal Action No. 3:11CR17-JAG

JUSTIN GLYNN FRENCH,

Defendant.

PRELIMINARY ORDER AS TO RESTITUTION

Having considered the Government's Preliminary Report and the authority cited therein, and having considered the Government's recommendation as to how to proceed to resolve the restitution issues in this case, and deeming it proper so to do, it is hereby ORDERED:

1. this Court will award restitution consistent with the Government's proposed "net loss" methodology, and all payments and tax credits received by a victim, however characterized, shall be credited against the loss amount;
2. this Court intends to deny any Disputed Claims not supported by independent proof;
3. all victims who wish to dispute the Government's recommendation as to restitution must appear at the hearing to present any additional evidence or argument in support of their claim for restitution;
4. all Disputed Claimants who intend to appear at the restitution hearing shall notify the Court and the parties of their intent to appear not less than ten (10) days in advance of the restitution hearing;
5. all victims who to date have failed to respond to the Government's request for Verification of Loss will be excluded as compensable victims for purposes of restitution;
6. for all victims whose claims are disputed by the Government and who fail to respond to the Government's notice as to the recommended restitution amount, the Court intends to award restitution consistent with the Government's recommendation;
7. upon the entry of a restitution order, the Court intends to direct that the Clerk make disbursements to the victims on a pro rata basis; and

8. this Preliminary Order is interlocutory in nature, subject to the claims for relief asserted by the Chapter 7 Bankruptcy Trustee of the Estate of Justin Glynn French and Paragon Commercial Bank.

The United States shall provide a copy of this Order to the potential victims.

It is so ORDERED.

Let the Clerk send a copy of this Order to all counsel of record. The United States is directed to provide a copy of this Order to all victims who currently have Disputed Claims.

[Signature]
John A. Gibney, Jr.
United States District Judge

Date: September 14, 2011
Richmond, VA